



COMMONWEALTH of VIRGINIA

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May 11, 2017

MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White
Director, Agency Human Resource Services

SUBJECT: Fiscal Year 2018 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2018 (July 1, 2017, through June 30, 2018). Implementation guidance for 2017 performance evaluations will be distributed at a later date. The fiscal year 2018 employee compensation actions include multiple salary increases with varied criteria; therefore, each increase component is being addressed by effective date below.

The following compensation changes authorized in Chapter 836 of the 2017 Acts of Assembly are effective on July 10, 2017 or on September, 10, 2017.

1) July 10, 2017, Employee Salary Increases

A. Three percent base salary increase

Item 475, paragraph X of Chapter 836, 2017 Acts of Assembly, authorizes a three percent salary increase effective July 10, 2017, for state employees (full and part-time classified and certain other salaried employees, including faculty, appointed, and at-will employees). All employees, excluding certain university employees noted below in Item B, in salaried positions as of April 10, 2017, are eligible for the three percent salary increase, subject to the performance criteria outlined under the "Employee Performance" bullet below.

NOTE: Those state institutions of higher education with non-faculty employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary from these percentages based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to other eligible employees.

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B. Three percent salary increase for faculty at selected higher education institutions

Item 475, paragraph Z.1 and Z.4, of Chapter 836, 2017 Acts of Assembly, states that the base salaries of eligible faculty members at the select institutions of higher education listed below, that did not provide a supplement to faculty salaries in fiscal year 2017, shall be increased by a total of three percent (two percent plus one percent) on July 10, 2017:

Virginia Military Institute (211)
Virginia State University (212)
Norfolk State University (213)
James Madison University (216)
Radford University (217)
Cooperative Extension and Agricultural Research Services VSU (234)
Richard Bland College (241)
Christopher Newport University (242)

All faculty members who were employed in salaried positions at the higher education institutions listed above as of April 10, 2017, are eligible for this three percent salary increase, subject to the performance criteria outlined under the “Employee Performance” bullet in section 3 below.

C. Two percent salary increase for faculty at other higher education institutions

Item 475, paragraph Z.1, of Chapter 836, 2017 Acts of Assembly, states that the base salaries of eligible faculty members at the following institutions of higher education shall be increased by two percent on July 10, 2017:

George Mason University (247)
Old Dominion University (221)
University of Virginia (207)
Virginia Commonwealth University (236)
Virginia Tech (208)
College of William and Mary (204)
University of Virginia – Wise (246)
Longwood University (214)
University of Mary Washington (215)
Virginia Community College System (261 – parent with subs)
Virginia Institute of Marine Science (268)
Virginia Tech Extension (229)

All faculty members who were employed in salaried positions at the higher education institutions listed above as of April 10, 2017, are eligible for this two percent salary increase, subject to the performance criteria outlined under the “Employee Performance” bullet in section 3 below.

D. Virginia State Police sworn officer additional base salary increase

Item 475, paragraph AA, of Chapter 836, 2017 Acts of Assembly, states that each sworn officer of the Department of State Police shall be provided an increase in their annual salary of \$6,793.00 effective July 10, 2017. This increase shall be applied *prior to* the three percent salary increase authorized in the Act, as defined in paragraph A above.

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2) September 10, 2017, Employee Salary Increases

A. September 10, 2017 Two percent salary increase for employees in certain high turnover jobs

Item 475, paragraph BB, of Chapter 836, 2017 Acts of Assembly, states that the base salaries of eligible employees in the following high-turnover roles will be increased by two percent effective September 10, 2017, in addition to the pay actions described in section 1) above:

Direct Service Associate I - 49051
Direct Service Associate II - 49052
Direct Service Associate III - 49053
Housekeeping and/or Apparel Worker I - 79071
Licensed Practical Nurse - 49111
Registered Nurse I - 49112
Registered Nurse II/Nurse Practitioner I/Physician's Assistant - 49113
Therapy Assistant/Therapist I - 49231
Therapist II – 49232

All employees in these roles who are employed in salaried positions as of June 10, 2017, are eligible for this additional 2% salary increase, subject to the performance criteria (paragraph BB2.a) outlined under the “Employee Performance” bullet in section 3 below.

3) Additional Information

Additional information regarding FY18 compensation activities is provided in this section regarding Employee Performance, Faculty, Wage Employees, Elected Officials, and Less than Twelve Month Employees. Please also reference the FAQ document posted on [our website](#) for further details.

- **Employee Performance:**

Pursuant to instructions in Item 475, employees must have received a rating of at least “Contributor” on their latest performance evaluation in order to be eligible for certain components of the fiscal year 2018 salary increases. The eligibility of most employees will be determined by performance evaluations that were conducted in the fall of 2016 for the last performance cycle (October 25, 2015 through October 24, 2016). For employees rated in 2016, ratings in the 2016 IPP database will provide the basis for this determination. Employees who were rated “Contributor” or “Extraordinary Contributor” are eligible, while those rated “Below Contributor” are not.

- **Review and Certify Employee Performance:**

For employees whose performance was not recorded during or has changed since the 2016 evaluation, so that eligibility for the salary increases cannot reasonably be based on that evaluation, agencies should follow these steps to deny additional employees the increase(s) or allow increases to those who have been denied:

Preliminary review files with names beginning with “INCREASE” will be placed in agencies’ repository folders in HuRMan on Monday, June 12, 2017 for the July 10, 2017 increases or by

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Monday, August 14, 2017 for the September, 10, 2017 increases. **It is essential that agencies carefully review these files for accuracy.** If changes are necessary to exclude an employee or include an employee previously excluded, agencies should submit "INCREASE-MANUAL-BLOCK" or "INCREASE-MANUAL-UNBLOCK" spreadsheets as described below:

1. Create a spreadsheet named "INCREASE-MANUAL-BLOCK" or "INCREASE-MANUAL-UNBLOCK" containing agency number, position number, and employee identification number. Please retain all leading zeros.
 - a. The INCREASE-MANUAL-BLOCK spreadsheet documents employees that **should not** (block them) receive the increase based on a change in performance since the fall 2016 performance evaluation.
 - b. The INCREASE-MANUAL-UNBLOCK spreadsheet documents employees who **should** (unblock them) receive the increase based on performance since the fall 2016 performance evaluation.
 - c. Active employees who were not rated in 2016 (those with blank ratings, "L" ratings, and those hired since the 2016 IPP database was created) but meet other criteria may receive the fiscal year 2018 increases when agencies submit a spreadsheet named "INCREASE-MANUAL-CERTIFY" using the format described above.
2. Upload the spreadsheet to HuRMan using the secure file upload utility or e-mail it to [Nancy Tobin](#) by close of business on June 26, 2017 for the July 10, 2017 increases or by close of business August 30, 2017 for the September 10, 2017 increases.
3. If an update to a previously submitted file is necessary, please resubmit the entire file. DHRM will load the last file received by June, 26, 2017 for the July 10, 2017 increases or by August 30, 2017 for the September 10, 2017 increases.

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who are certified or unblocked or unsatisfactory performance for employees who are blocked. This documentation could include: interim evaluations; probationary progress review forms; and notice of sub-standard performance forms. Agencies are responsible for ensuring that all employees are aware of their current performance ratings.

Non-classified employees not in the 2016 Performance (IPP) database, but who meet other eligibility criteria for the fiscal year salary increases, will be assumed eligible unless agencies submit an "INCREASE-MANUAL-BLOCK" spreadsheet as described above.

- Faculty:

The Act authorizes state institutions of higher education to provide a variable salary adjustment based on performance and other employment-related factors to faculty. Institutions may allocate this increase consistent with faculty pay plans. Faculty will be assumed eligible for the defined two or three percent increases unless state institutions of higher education notify [Nancy Tobin](#) by June 12, 2017 and provide properly formatted spreadsheets documenting the variable pay adjustments by close of business on June, 12, 2017 for the July 10, 2017 increases.

- Wage Employees:

The base rates of pay for wage employees may be increased by up to three percent no earlier than July 10, 2017. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency. Agencies using the PMIS Wage3 system should enter transaction PSW090 with reason code 215 to increase the hourly rates of wage employees. Please be aware

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that batch processing for wage employee increases is *not* currently available and make plans to key these transactions manually. Please note that wage salary increase transactions cannot be keyed in advance and must be keyed on or after July 10, 2017. Contact your assigned [human resource management consultant](#) for further information on possible keying support for updating wage employee salaries.

- Elected Officials:

Elected officials are not covered by the three percent base salary increase effective July 10, 2017.

- Less than Twelve-month Employees:

DHRM will not automatically process increases for faculty or other employees designated as less than 12 months in PMIS. Agencies will need to key salary increases into PMIS for these excluded employees or review the INCREASE-12MO file that will be available after the increases are processed in PMIS to develop a file for batch-loading the increases as they become effective on or after July 10, 2017 or September 10, 2017. The process for review and batch update of less than 12 months employees will be documented in the FAQ document on [our website](#). This batch update process will only be available to agencies that need 50 or more employee updates.

If an employee in this group is working on July 10, 2017 or on September 10, 2017 then the salary increase should begin effective July 10, 2017 or on September 10, 2017. If the employee is not working but continues to be paid for the work period that has been completed (e.g., works 10 months but is paid over 12 months), the salary increase and member contributions should be effective when the employee returns to work and/or a new contract period for the employee begins. More information will be provided by DOA to CIPPS agencies that have employees in this category.

4) Classified Salary Structure

The minimum for each salary band in the classified salary structure is being increased by three percent at the minimum and three percent plus \$6,793.00 at the maximum effective July 10, 2017, pursuant to Item 475, paragraph X.3. No salary increase shall be granted to any employee as a result of these actions. A table of the new salary bands is provided in this memorandum.

Salary ranges for unclassified roles (role codes over 90000) will also be adjusted by three percent at the minimum and three percent plus an additional \$6,793.00 at the maximum effective July 10, 2017. **Agencies who do not want their unclassified ranges adjusted automatically should notify [iHelp](#) no later than June 12, 2017.**

5) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2017, are extended through June 30, 2018. You should continue to use the [P-14 form](#) to authorize any new differential payments. If your agency is a parent agency (e.g., Department of Corrections), for compensation practices that are consistent in all facilities or sub-agencies under the parent, you may choose to send in a single P-14 form rather than a separate form for each sub-agency. However, the agency codes for all sub-agencies covered by the authorization should be listed on

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the form. Individual P-14 forms will still be required for practices that are unique to single sub-agencies.

Temp Pay, Military Supplements, Special Rates, and Non-State Salaries will not be adjusted automatically on July 10, or September 10, 2017. Agencies should enter changes into PMIS after the general increases are processed. Please be aware that batch processing for these groups is *not* currently available and plan accordingly.

6) Supplements

Supplements, decentralized to agencies in 2000, are payments that are made only when employees meet the criteria for earning them. The decentralized supplements that have been identified include: On-Call Pay, Call-Back Pay, Camp Supplement, Charge Duty, Medication Supplement, Shift Pay, and Working Conditions Supplement. Effective July 1, 2010, overtime payment decisions made in accordance with the [Overtime Pay Guidance document, issued June 15, 2010](#), have also been decentralized to agencies. Agencies that want to pay a supplement that has not been previously identified should submit a P-14 request to DHRM for approval. If appropriate, new supplements will be available for use by all agencies.

7) Wage Authorizations (WE-14)

Forms WE-14 for wage employment are not required for hourly employees hired into any existing Role. Contact your assigned human resource management consultant if you need to establish an additional Role solely for the purpose of wage employment. We will continue to monitor use of the pre-approved Roles for wage employees.

8) Demonstration Projects

Agencies may consider compensation demonstration projects. Demonstration projects must have clearly defined objectives and specified time frames. They are limited to two years' duration. Any requests for projects should be discussed with your assigned [human resource management consultant](#) before being submitted for approval.

9) Alternate Bands and Sub-bands

Where appropriate, the Alternate Band fields on PMIS may be used by agencies to establish Sub-Bands within Pay Bands. Sub-Bands are intended for situations where a clear distinction must be maintained within Roles, such as for rank structures in law enforcement agencies. Since July 1, 2011, agencies have been able to enter transaction PSP111 to manage sub-bands for individual positions or groups of positions.

AHRS will identify alternate bands and sub-bands by positions' having Alternate Band Minimum or Alternate Band Maximum values greater than zero. We will adjust ranges based on Alternate Band Minimum and Alternate Band Maximum values combined with Agency and Role values. We will then provide the new Alternate Band Minimum and Alternate Band Maximum values to ITech. If the Alternate Band Minimum and Alternate Band Maximum are both equal to the Role Band Minimum and Role Band Maximum, respectively, ITech will adjust the Alternate Band Minimum by three percent and the Alternate Band Maximum by three percent plus \$6,793.

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Ranges will be considered Alternate Bands (rather than Sub-Bands) if their Alternate Band Minimum is equal or greater than the Role Band Minimum and their Alternate Band Maximum is greater than the Role Band Maximum. For these ranges, the Alternate Band Minimum will be adjusted three percent and the Alternate Band Maximum will be adjusted by three percent plus \$6,793.

If the Alternate Band Maximum equals the Role Band Maximum and the Alternate Band Minimum is greater than the Role Band Minimum, it will be considered a Sub-Band. For sub-bands, we will adjust the Alternate Band Maximum by three percent plus \$6,793. The Alternate Band Minimum will not be adjusted without an agency request. If the Alternate Band Maximum is less than the Role Band Maximum, it will be treated as a Sub-Band and we will not adjust the Alternate Band Minimum or the Alternate Band Maximum without an agency request. We will coordinate with agencies to determine adjustments for sub-bands.

10) Language Pursuant to Workforce Transition Act Retirement

Chapter 836, 2017 Acts of Assembly, Item 475, paragraph M.1, requires enhanced retirement actions be pre-certified by DPB and DHRM to be fully funded by the VRS:

Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia, for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reduction enacted in the Appropriation Act, 2. budget reduction executed in response to the withholding of appropriations by the Governor pursuant to § 4-1.02 of the Act, 3. reorganization of reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

[Note: Code of Virginia §§ 2.2-3200 through 2.2-3206 comprise Title 2.2, Chapter 32, the Workforce Transition Act of 1995.]

If you have questions about the certification process, please contact the [human resource management consultant](#) assigned to your agency.

11) 2017 Performance Evaluations

Performance evaluations for the current performance cycle (October 25, 2016, through October 24, 2017) will not provide the basis for the fiscal year 2018 salary increases, but they will need to be completed for classified employees as required by Policy 1.40. As previously noted, implementation guidance will be distributed at a later date.

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12) 2017 Performance-based Pay Increases

The General Assembly did not approve funding for additional performance increases effective November 25, 2017. Therefore, agencies, except for those defined in Chapter 836, 2017 Acts of Assembly, and Item 475, paragraph X.5a-i., may not provide salary increases at that time based on performance during the October 25, 2016, through October 24, 2017, performance cycle. Additionally, the base rates of pay for wage employees may not be increased effective November 25, 2017 as a result of employees' performance.

Please ensure that a copy of this memorandum is provided to all human resource staff and to your agency's fiscal officer. If you have questions, please contact the [human resource management consultant](#) assigned to your agency.

cc: Sara Redding Wilson, Director of Human Resource Management
David A. Von Moll, State Comptroller
Daniel S. Timberlake, Director of Planning and Budget

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STATE (SW) PAY BANDS July 10, 2017		
<i>Band</i>	<i>Minimum</i>	<i>Maximum</i>
1	\$16,472	\$46,778
2	\$21,521	\$57,644
3	\$25,718	\$66,683
4	\$33,598	\$83,649
5	\$43,892	\$105,811
6	\$57,342	\$134,764
7	\$74,913	\$172,594
8	\$97,863	\$222,012
9	\$127,852	MARKET

NOVA (FP) PAY BANDS July 10, 2017		
<i>Band</i>	<i>Minimum</i>	<i>Maximum</i>
1	\$16,472	\$58,773
2	\$21,521	\$72,899
3	\$25,718	\$84,651
4	\$33,598	\$106,705
5	\$43,892	\$135,516
6	\$57,342	\$173,156
7	\$74,913	\$205,755
8	\$97,863	\$265,055
9	\$127,852	MARKET